

FISCAL NOTE

HB 3117 - SB 3101

March 11, 2002

SUMMARY OF BILL: Amends the Nursing Home Bed Tax to remove the tax for inactive nursing home beds. The tax is to be prorated for the time that beds were unused because a nursing home had no patients.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$100,000

**Other Fiscal Impact - Decrease Federal Expenditures -
Exceeds \$200,000**

Assumes that more nursing homes will notify the Department of Health about inactive beds since there is now an economic incentive to do so. The department would have lost an average of \$94,000 in the last two fiscal years for inactive beds if the bill had been in effect.

Even though the tax goes to the state general fund the estimate assumes that Federal revenues will be lost as a result of the loss of matching state funds for the TennCare program.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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